



REPLY TO
ATTENTION OF

MCAA (1f)

DEPARTMENT OF THE ARMY
U.S. ARMY MEDICAL COMMAND
HEALTH CARE ACQUISITION ACTIVITY
2050 WORTH ROAD, SUITE 37
FORT SAM HOUSTON, TEXAS 78234-6037

8 May 2000

MEMORANDUM FOR CHIEFS, MEDCOM HCAA CONTRACTING OFFICES

SUBJECT: Policy Letter 00-03, Interface Procedures for Contracting Support Among U.S. Army Medical Command (MEDCOM) Health Care Acquisition Activity (HCAA) Contracting Offices

1. Purpose. To establish policy for efficient and effective consolidation of requirements, contract awards, and decentralization of contract administration among MEDCOM HCAA contracting offices. The center and satellite concept of contracting operations adopted by the Contracting Functional Area Assessment Board, and endorsed by the Chief of Staff, Army (CSA) as the most efficient model, is patterned after our current structure. Even though our structure is endorsed by the CSA, refinements to the current processes and procedures are necessary to attain maximum efficiency and effectiveness.

2. Policy. The MEDCOM HCAA contracting offices will function as one entity to achieve maximum utilization of resources and contracts while executing sound business decisions. The objective is to function as a seamless organization, a contracting office-without-walls, considering all assets in the HCAA available to accomplish contracting tasks rather than viewing each physical location as a separate entity.

a. The HCAA Commander/Principal Assistant Responsible for Contracting will serve as the Chief of the office-without-walls and will establish and annually convene an Acquisition Planning Board to identify requirements that are candidates for master contracts and/or consolidation regardless of their dollar value.

b. There are two Centers in the HCAA. The North Atlantic Contracting Center, also known as the MEDCOM Contracting Center East, is located at Walter Reed Army Medical Center, Washington, DC, and the MEDCOM Contracting Center West is located at Fort Sam Houston, TX. The Centers are responsible for large complex contracts, advance procurement planning, consolidating

This policy letter supersedes policy letter 98-03, 23 June 1998, which should be removed from your files.

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similar requirements for efficient operations, and promoting socioeconomic contracting goals. They will accomplish all preaward actions greater than \$500,000 (calculation is to include all options) within the HCAA, unless the Center Chief and the Satellite Chief jointly agree otherwise based upon sound business rationale. (See paragraph 3a(2) for further guidance.) The Centers will decentralize contract administration to the region(s) receiving the services except when the contract is written for another agency on a reimbursable basis or the central program control is physically located at Walter Reed Army Medical Center or at Fort Sam Houston. The Centers' prime focus is to consolidate and write master contracts benefiting the worldwide mission of the MEDCOM. That is the criterion used to measure and to provide an overview of their contributions to the Regional Medical Command (RMC) Commanders' Quarterly Business Review.

c. The Satellite Offices are the Regional Contracting Offices (RCOs) in HCAA. Their focus is responsive customer support, customer interface, contracting advice and assistance to their regional customers, preaward contract support for requirements less than \$500,000, purchase card program management, and contract administration of contracts providing services or supplies to their region. Since contract administration is the prime focus of the Satellite Offices, the data used to measure the Satellite Offices' performance will be the number and dollar value of delivery orders issued and contracts administered.

d. All recurring contracts will be written for a basic year and four 1-year options unless the contracting officer documents a sound business decision to the contrary in the contract file.

3. Concept of Operations.

a. Satellites will serve as the office-without-walls face to their regional customers, acting as advisors and providing liaison with the other Satellite Offices and the Centers.

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Regardless of dollar value, the Satellites shall compare the requirements they receive to contracts already in place and coordinate with the Centers to determine if a consolidated contract effort is contemplated or in progress.

(1) If the above results in a match, the Satellite will either issue a task/delivery order for the requirement or forward the requirement to the appropriate Center to achieve economies of scale. The forwarding of requirements to the Centers shall be transparent to the customer, with the Satellite serving as the liaison and advisor to the regional customer. Satellite personnel will participate in arranging technical evaluations, obtaining answers for procuring contracting officers (PCOs) from the local customers, attending pre-bid conferences if possible, etc., with maximum use of videoteleconferences to enhance communication.

(2) If a requirement exceeds \$500,000 and cannot be added to an existing contract, the Satellite Chief will coordinate with the Center Chief and they will jointly decide if an exception to the \$500,000 limit for contract action at the RCO is warranted. If an exception is not warranted, the designated POC at the Satellite will immediately contact the designated Center POC and coordinate transferring the action. If an exception is warranted, the Satellite Chief will determine if the Satellite activity has the resources to effectively and efficiently accomplish the action. If resources are available at that RCO, then judgment for the most efficient and effective approach is delegated to the Satellite Chief based on these guidelines.

(3) The Satellites will exercise options on those contracts for which they are delegated authority to do so and will notify the PCO prior to the last option being exercised. The Satellites will provide timely notification to the regional customer and obtain the new requirements for forwarding to the appropriate Center.

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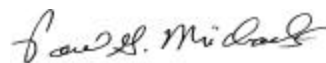
b. The Centers will consolidate requirements, issue master contracts, and facilitate acquisition planning within the HCAA.

(1) The Centers will provide specific delegations of contract administration authority and a contract file to the Satellites (electronically when that capability exists).

(2) In the event only ordering authority is delegated, the Center will be responsible for exercising options and notifying the Satellites to obtain option requirements.

(3) The Centers will compile and maintain a list of open-ended and master contracts on a quarterly basis, as a minimum, and post the list on the HCAA web page.

4. The data discussed in paragraphs 2b and 2c, along with the total number of personnel assigned and the amount of overtime hours used, will be used to measure the effectiveness of the Centers and Satellites. Data for the metrics and reporting requirements will be drawn from the Procurement Data Reporting System to measure the dollar value of contracts and delivery orders administered and awarded by the Satellite Offices and the number and dollar value of contracts written by the Centers. The number of personnel assigned and the amount of overtime expended will be obtained internally by HCAA from the Budget Analyst.



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LTC, MS
Commanding